

RESOLUTION BY

CITY UTILITIES COMMITTEE

01-R-0579

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNATED AGENT TO ENTER INTO A MUNICIPAL LEASE AND OPTION AGREEMENT WITH GEORGIA POWER COMPANY ON BEHALF OF SOUTHERN COMPANY ENERGY SOLUTIONS, INC., ON ITS OWN BEHALF OR ON BEHALF OF ITS AFFILIATES; TO ENTER INTO AN ENERGY SERVICES AGREEMENT WITH GEORGIA POWER COMPANY ON BEHALF OR ON BEHALF OF ITS AFFILIATES; FOR THE PURPOSE OF PROVIDING BACK-UP POWER FOR THE CHATTAHOOCHEE WATER TREATMENT PLANT, ADAMSVILLE PUMP STATION, NORTHSIDE PUMP STATION, HARTSFIELD PUMP STATION AND UPGRADING BACK-UP FACILITIES AT THE HEMPHILL WATER TREATMENT PLANT ON BEHALF OF THE DEPARTMENT OF WATER IN AN AMOUNT NOT TO EXCEED (\$21,940,800); ALL COONTRACTED WORK SHALL BE CHARGED TO FUND, ACCOUNT, CENTER NUMBERS: 2J21 578003 Q26201.

WHEREAS, the Director of Water has need of back-up electrical service in order to avoid interruption of water service due to power outages; and

WHEREAS, the back-up electrical service would reduce the stopping and starting of pumps, thereby reducing pressure fluctuations in the water mains, and so reducing the potential form main breaks; and

WHEREAS, Georgia Power Company, on behalf of Southern Company Energy Solutions, Inc., and its affiliates, offers to install Emergency Back-up Power Systems at the Chattahoochee Water Treatment Plant, the Northside Pump Station, the Adamsville Pump Station, and the Hartsfield Pump Station, as well as install emission control equipment and electrical motor drives at the Hemphill Water Treatment Plant; and

WHEREAS, Georgia Power on behalf of Southern Company Energy Solutions, Inc. and its affiliates would provide total maintenance and repair for 15 years on all supplied generators; and

WHEREAS, at the end of the 15 year payment schedule, the Emergency Back-up Power Systems will become the property of the City of Atlanta; and

WHEREAS, the Purchasing Agent has determined that there is only one source for the supply and service of the backup electrical service required, and a copy of the sole source certification is attached hereto.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, THAT:

SECTION 1: The Mayor is hereby authorized to enter into a Municipal Lease and Option Agreement with Georgia Power Company, on its own behalf or on behalf of its affiliates, to lease backup generators, in order to increase the reliability of the Department of Water facilities; the Chattahoochee Water Treatment Plant, Adamsville Pump Station, Northside Pump Station, Hartsfield Pump Station and the Hemphill Water Treatment Plant. The scope of work is set forth in the Energy Services Agreement attached hereto.

SECTION 2: The Mayor is hereby authorized to enter into an Energy Services Agreement with Georgia Power Company, on its behalf or on behalf of its affiliates, to provide back-up power service, installation, testing and a maintenance contract, for \$14,486,750 plus interest at 5.75%, payable in monthly installments of \$121,894, over a fifteen year period, with total payments of \$21,940,800. Payments will be reduced if a lower interest rate can be negotiated. At the conclusion of the fifteen years, the City of Atlanta will own the generators and all associated equipment.

SECTION 3: The City Attorney is hereby authorized to make such changes to the substance of the Municipal Lease and Option Agreement and the Energy Services Agreement as are necessary to protect the City of Atlanta's interests, and to approve said agreement as to form.

SECTION 4: The Municipal Lease and Option Agreement and the Energy Services Agreement shall not become binding on the City and the City shall incur no liability upon same until such agreements have been executed by the Mayor: approved as to form by the City Attorney, sealed by the Municipal Clerk, and delivered to the contracting party.

SECTION 5: All services to be performed under said lease and agreements shall be charged to and paid from 2J21 578003 Q26201.

**SERVICES PROVIDED IN PROPOSED ENERGY SERVICES AGREEMENT
WITH GEORGIA POWER COMPANY / SOUTHERN COMPANY**

- Provide turn-key design, installation, testing, and 15 years maintenance of a 8,000 KW Emergency Back-up Power System for the Chattahoochee Water Treatment Plant.
- Provide turn-key design, installation, testing, and 15 years maintenance of a 2,000 KW Emergency Back-up Power System for the Adamsville Pump Station.
- Provide turn-key design, installation, testing, and 15 years maintenance of a 2,000 KW Emergency Back-up Power System for the Hartsfield Pump Station.
- Provide turn-key design, installation, testing, and 15 years maintenance of a 2,000 KW Emergency Back-up Power System for the Northside Pump Station.
- Provide turn-key design, installation, and testing of additional Emission Control Equipment to the existing Hemphill Water Treatment Plant Emergency Back-up Power System, currently operated and maintained by Georgia Power / Southern Company, to meet State EPD air quality requirements.
- Provide turn-key design, installation, and testing for three new back-up electrical motor drives at the Hemphill Steam Pump Station, replacing three steam prime movers.

**Large
document
attached**